

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Extended Study Session

February 28, 2005
5:15 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Noble, and Councilmembers Balducci, Chelminiak¹, Davidson, Degginger², and Lee

ABSENT: None.

1. New City Hall Review (Bellevue Service Center)

At 5:25 p.m., Mayor Marshall opened the meeting at Bellevue Service Center, where Council and staff reviewed and discussed a mock-up of City Council Chambers to be built in the New City Hall building. City Manager Steve Sarkozy explained that the meeting is an opportunity for Council to provide feedback on design alternatives to staff and the project team.

Rick Zieve, SRG Partnership, described the design features and explained that the room meets ADA accessibility requirements. The room is designed to be multi-purpose and to accommodate different types of configurations and uses.

Mayor Marshall noted Council consensus for Alternative 2.

At 6:38 p.m., Mrs. Marshall declared recess to return to City Hall for the remainder of the study session.

The meeting resumed at 6:55 p.m. in the Council Conference Room with Mayor Marshall presiding.

2. Oral Communications

- (a) Larry Hebner, incoming Chair of Overlake Hospital Medical Center's Board of Trustees, explained that Overlake is a nonprofit organization and community hospital with more than 2,000 employees. The hospital has 55,000 visits to its emergency room, 113,000 outpatient visits, and 17,000 patients annually. Overlake Hospital Medical Center is nationally recognized as one of the top 100 cardiac centers. Mr. Hebner reviewed plans to expand the hospital and construct a new office building in partnership with Group

¹ Mr. Chelminiak arrived at 6:50 p.m.

² Mr. Degginger arrived at 5:27 p.m.

Health Cooperative. The expansion will create approximately 1,000 new jobs within the community. Mr. Hebner asked Council to approve changes to the Comprehensive Plan and Land Use Code to facilitate the hospital expansion [Agenda Item 3(b)].

- (b) Ken Johnson, OHMC Board of Trustees, noted he serves as Chair of the Construction Committee. He requested Council approval of the Comprehensive Plan and Land Use Code amendments to be discussed later in the evening. He thanked City staff, the Planning Commission, consultants, and Council for their team effort.
- (c) Peter Adler, Executive V.P. for Group Health Cooperative, explained that Group Health is a nonprofit organization serving all segments of the community including the Medicare Advantage, Healthy Options, and PHP programs. Group Health currently has five Eastside primary care centers and one hospital/outpatient specialty clinic in Redmond. GHC looks forward to the collaborative project with Overlake Hospital Medical Center. Mr. Adler asked Council to approve the proposed Comprehensive Plan and Land Use Code amendments.

3. Study Session

(a) Council Business and New Initiatives

Dr. Davidson reported that interviews of candidates for the Environmental Services Commission have been completed.

- ➡ Dr. Davidson moved to appoint Eleanor Allen to serve the remainder of the term filled by Jean Worthen and Susan Naficy to serve the remainder of the term filled by Garrett Ferencz, both of which will conclude on May 31, 2007. Mr. Lee seconded the motion.

- ➡ The motion to appoint Eleanor Allen and Susan Naficy to serve on the Environmental Services Commission through May 31, 2007, carried by a vote of 7-0.

- (b) Final EIS for Overlake Hospital Master Plan and NE 10th Street Extension; Proposed Medical Institution Comprehensive Plan and Land Use Code Amendment; and Transportation Alternatives *(For Council discussion and direction. Action is scheduled for March 7, 2005)*

City Manager Steve Sarkozy opened discussion regarding the final Environmental Impact Statement (EIS) for the Overlake Hospital Medical Center expansion and NE 10th Street extension. Land Use Director Carol Helland noted that Councilmembers received a copy of the FEIS with their packets. She recalled Council action in November declaring an emergency and directing staff to process a Comprehensive Plan amendment (CPA) and Land Use Code amendment (LUCA) to mitigate the impacts of development disclosed in the EIS and to allow the hospital development to progress in a more urban form.

Patsy Bonincontri, Planning Commission Vice Chair, said the Planning Commission unanimously supports staff's recommendation to create a Medical Institution (MI) district within

the Comprehensive Plan and to modify the plan map from Institutional District to MI district. The Commission further supports the related Land Use Code amendment (LUCA) to provide adequate additional development intensity and to facilitate campus redevelopment.

Ms. Helland reviewed the scope of the final EIS report. The Land Use Code amendment allows higher building heights and imposes streetscape/landscape requirements to mitigate the impact of this urban development. Ms. Helland described the MI District map, which is divided into the Hospital Center Development Area and the Medical Office Perimeter Development Area. The Planning Commission established guiding principles, process principles, and design principles to guide the CPA and LUCA.

Ms. Helland reviewed the design principles incorporated into the CPA and LUCA:

1. Achieve a high-quality design through street frontage and dimensional standards.
2. Encourage pedestrian connectivity.
3. Require pedestrian-sensitive design and amenities.
4. Incorporate pedestrian-sensitive designs that respond to functional characteristics of medical institution uses.
5. Create transitions to adjacent less-intense land use districts.
6. Include significant public outdoor open places.

- ➡ Deputy Mayor Noble moved to direct staff to prepare ordinances for Council action on March 7, 2005, regarding the Overlake Hospital/NE 10th Street Comprehensive Plan amendment and Land Use Code amendment. Ms. Balducci seconded the motion.

Responding to Mr. Chelminiak, Ms. Helland referenced development and design standards to be applied to the hospital campus sky bridges.

Mr. Lee expressed support for the proposed CPA and LUCA. He encouraged coordinated transportation planning to enhance access to the medical campus. Ms. Helland said transportation is a major focus of the project, and the EIS incorporated transit stops and future freeway improvements in its analysis. Additional studies are underway to look at transportation uses around the hospital and future growth.

Mayor Marshall is pleased with Council's support of the project.

- ➡ The motion to direct staff to prepare ordinances regarding the Overlake Hospital/NE 10th Street Comprehensive Plan amendment and Land Use Code amendment, for Council action on March 7, 2005, carried by a vote of 7-0.
- ➡ Deputy Mayor Noble moved to accept the Overlake Hospital Master Plan/NE 10th Street Extension Final Environmental Impact Statement (FEIS) and to forward it to the Washington State Department of Transportation as guidance for considering future freeway ramps at NE 10th or NE 12th Streets. Mrs. Marshall seconded the motion.

- ➡ The motion to accept the Overlake Hospital Master Plan/NE 10th Street Extension Final Environmental Impact Statement (FEIS) and to forward it to the Washington State Department of Transportation carried by a vote of 7-0.

- (c) Settlement Agreement with Futurewise (1000 Friends) on Appeal of 2004 Comprehensive Plan Update

Resolution No. 7146 authorizing execution of a Settlement Agreement with Futurewise relating to its appeal of the City's 2004 Comprehensive Plan Update.

Mr. Sarkozy opened discussion regarding a proposed settlement agreement with Futurewise (1000 Friends) relating to its appeal of the City's 2004 Comprehensive Plan update.

Mr. Terry recalled that Futurewise has taken a position that cities should rezone all residential areas to a minimum density of R-4 (four units per acre). He noted that Bellevue has chosen to concentrate its recent residential growth in the downtown. Futurewise rejected a previous resolution offered by the City. With the intervention of Mayor Marshall and Deputy Mayor Noble, Futurewise is now willing to accept a settlement agreement with the following key points:

1. The City will commit to finding new development capacity for 516 residential units. This reflects the estimated additional potential unit capacity to be attained if current vacant low density sites were rezoned to R-4.
2. The new housing will include a mix of housing types, developed at a density of four to 15 units per acre.
3. By 2012, the City will implement a change to the Comprehensive Plan and development regulations for the additional residential density through its normal planning processes.

Mr. Terry said the Futurewise Board has approved the agreement.

Deputy Mayor Noble explained Council's objection on principle to Futurewise's actions before the Growth Management Hearings Board and to the proposed R-4 zoning for all cities. He noted the agreement represents the City's ongoing planning approach to continue to comply with and exceed Growth Management Act housing and growth targets.

- ➡ Deputy Mayor Noble moved to approve Resolution No. 7146, and Dr. Davidson seconded the motion.

Dr. Davidson expressed support for the agreement. However, he is frustrated with non-elected groups attempting to interfere in municipal government matters that are best handled by citizens and their elected officials.

Responding to Ms. Balducci, Mr. Terry noted for the public that Bellevue and other cities are currently pursuing state legislation to clarify the obligations and local control of cities with respect to minimum densities and growth targets.

Responding to Mr. Chelminiak, Mr. Terry described staff's interest in considering new forms of housing in Bellevue. Bellevue has single-family housing and fairly dense multifamily housing, but it does not have many examples of housing in the range of 10 to 15 units per acre, which is typically found in townhouse and condominium developments. Mr. Terry recalled approval during the budget process of an initiative to study land use along the Bel-Red Road corridor. Staff envisions a mixed-use center with office, residential, and retail development. This provides an opportunity to develop more mid-range multifamily housing options as well.

Mr. Degginger clarified that the agreement obligates the City to create the capacity for development but cannot dictate whether development occurs.

Mayor Marshall thanked Deputy Mayor Noble and Councilmember Balducci for testifying before the state legislature in Olympia.

➡ The motion to approve Resolution No. 7146 carried by a vote of 7-0.

(d) Regional Issues

Transportation Director Goran Sparrman opened discussion regarding the draft I-405 Corridor Implementation Interest Statement.

Bernard Van de Kamp, Regional Projects Manager, recalled that an environmental review of the I-405 Master Plan was recently completed. The plan includes a \$185 million project in Bellevue (funded by the new Nickel gas tax) to add two general purpose lanes on I-405 through downtown Bellevue and one southbound HOV lane between SE 8th Street and I-90. An environmental review of this project began in January and will continue until 2007. Construction is scheduled to begin in 2007/2008 and to be completed by 2010/2011.

Mr. Van de Kamp said Bellevue is working closely with the State of Washington to secure funding for a NE 10th Street overcrossing project estimated at \$40 to 55 million. Additional projects prioritized in the I-405 interest statement are: 1) NE 8th to SR 520 Interchange (including ramps at NE 10th Street overcrossing), 2) mainline capacity in addition to the "nickel project" above, and 3) NE 2nd Street overcrossing and braided ramps between NE 2nd and SE 8th Streets. Mr. Van de Kamp reviewed a map of the proposed I-405 improvements.

Kim Becklund, Transportation Policy Advisor, briefly reviewed the draft I-405 Corridor Implementation Interest Statement beginning on page 5 of the Regional Issues packet.

Mayor Marshall expressed support for the interest statement and commented on the importance of the I-405 corridor to Bellevue.

Mr. Chelminiak expressed strong support for the interest statement. He noted that I-405 carries almost twice the number of vehicle trips daily as the Alaskan Way Viaduct and is critical to the overall regional economy.

Dr. Davidson suggested adding language reflecting a commitment to environmental mitigation construction measures. Mayor Marshall and Councilmembers concurred.

Moving on, Management Analyst Charlie Bush said the Puget Sound Regional Council will hold its General Assembly meeting on March 24. He asked Council to provide direction regarding PSRC's 2006-2007 budget and work program and to appoint one or more Councilmembers to cast Bellevue's votes at the General Assembly. Bellevue's dues to PSRC are estimated to be \$56,339 for 2006 and \$57,889 for 2007. Mr. Bush responded to Councilmembers' questions of clarification.

- Councilmember Lee moved to appoint Deputy Mayor Noble to cast Bellevue's votes at the PSRC General Assembly, and Ms. Balducci seconded the motion.
- The motion to appoint Deputy Mayor Noble to cast Bellevue's votes at the PSRC General Assembly carried by a vote of 7-0.

Diane Carlson, Director of Intergovernmental Relations, distributed a list of bills currently under consideration by the state legislature. Bill No. 2157 is an effort to restructure RTID. Deputy Mayor Noble said the bill is being discussed by the Eastside Transportation Partnership and its legislative subcommittee. He summarized some of the questions and concerns. The bill is not expected to win approval by the legislature but is seen as a starting point for discussions.

Ms. Carlson highlighted Bill No. 2196 which would allow cities and counties to impose an additional REET (real estate excise tax) in lieu of impact fees. It would also give schools REET authority.

Noting Bill No. 2209 regarding funding for Key Arena and the arts, in addition to past tax-supported funding of both Seattle stadiums, Mayor Marshall feels balance is needed in this type of funding between Seattle and the Eastside. Councilmembers concurred.

Ms. Carlson said the growth management bills (1967 and 5907) are doing well and a proposed compromise is likely to satisfy concerns.

Ms. Carlson briefly reviewed the draft 2005 Federal Legislative Agenda, beginning on page 19 of the Regional Issues packet. Staff recommends submitting the following appropriations requests: 1) Bellevue Access Downtown Phase II, 2) Green Streets funding, 3) 911 Communications Center equipment, and 4) Bellevue Art Museum request for \$500,000. Council concurred.

Mayor Marshall declared the meeting adjourned at 9:02 p.m.

Myrna L. Basich
City Clerk
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